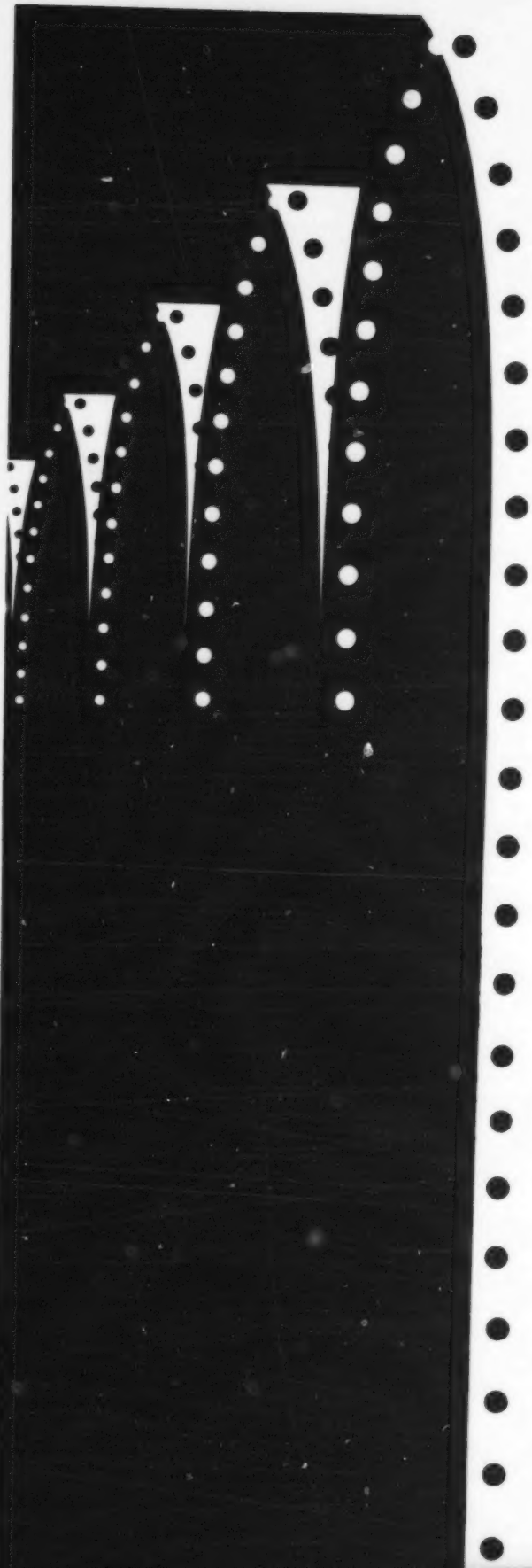

1989-90 FINANCIAL REPORT

Gilbert R. Clements
Minister of Finance

Prince Edward Island
November 1990

CONTENTS

Minister's Statement 1
The Economy 3
Revenue 7
Expenditure 9
Budget Deficit 11
Debt 11
Selected Financial and Economic Statistics 12
1989-90 Financial Statements 15

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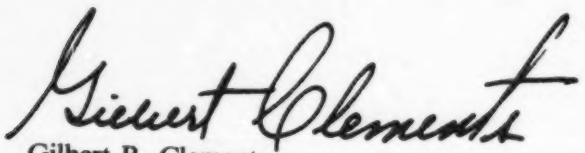
MINISTER'S STATEMENT

In keeping with the Government's continuing commitment to improve knowledge on the state of the provincial finances, I am pleased to release the second annual Financial Report of Prince Edward Island for 1989-90. This report is designed to provide timely public knowledge on the state of provincial finances. The 1989-90 Financial Report reviews major aspects of the Province's finances and presents summarized financial statements for the fiscal year ended March 31, 1990. The economic situation in 1989-90 is also reviewed. The 1989-90 Public Accounts will be submitted to the Prince Edward Island Legislature as usual in the next session with complete and detailed information.



Gilbert R. Clements
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November 1990

THE ECONOMY

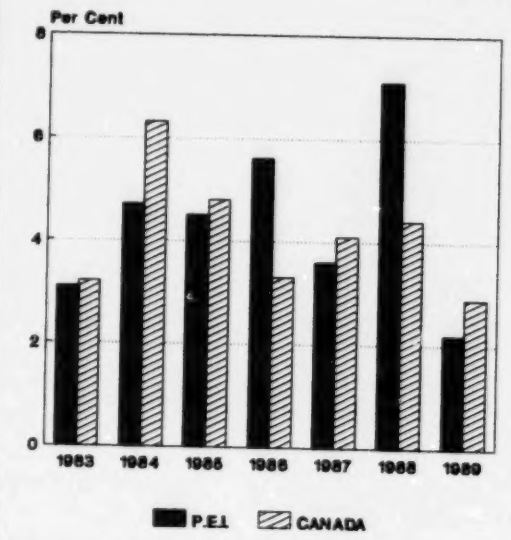
Economic Growth

Economic growth in Canada continued in 1989 but at a markedly reduced rate from 1988.

The Prince Edward Island economy also expanded in 1989 at a slower pace after posting exceptional growth in 1988. Factors restraining economic growth in 1989 were declines in the agricultural, fishing, and residential construction sectors. Slow growth in public administration was also a significant factor.

Estimates of economic growth, as measured by the rate of increase in Gross Domestic Product in constant dollars, indicate the Island's economy in 1989 grew by 2.2 per cent compared to 3.0 per cent for Canada.

Graph 1
ECONOMIC GROWTH



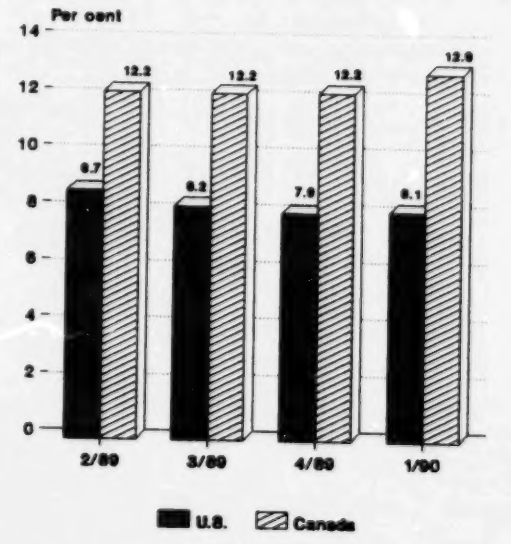
Source: Conference Board of Canada

Interest Rates

Interest rates on three month Treasury bills in Canada during the last three quarters of 1989 remained unchanged at 12.2 per cent. Short term interest rates increased sharply in the first three months of 1990 to average 12.9 per cent. The Bank Rate stood at 13.5 per cent by the end of March 1990.

The Canada-U.S. differential on short-term interest rates widened to 4.8 per cent by the first quarter of 1990 compared to 2.7 percentage points one year earlier. This interest rate differential surpasses the last major differential of 4.4 per cent in early 1986.

Graph 2
INTEREST RATES



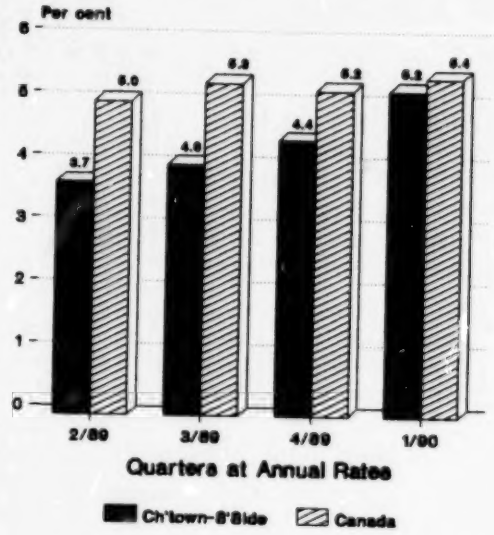
3 Month Treasury Bills

Inflation Rate

Canada's inflation rate, as measured by the percentage change in the Consumer Price Index, measured 5.2 per cent in fiscal year 1989/90, up from 4.2 per cent in fiscal year 1988/89.

The rate of increase in the Charlottetown-Summerside Consumer Price Index was 4.3 per cent in fiscal year 1989/90. As Graph 3 indicates, the rate of increase for Prince Edward Island accelerated throughout fiscal year 1989/90, largely as a result of higher energy prices. Increases in the Charlottetown-Summerside Consumer Price Index have been lower than the national rate of increase for the past eight years.

Graph 3
INFLATION RATE

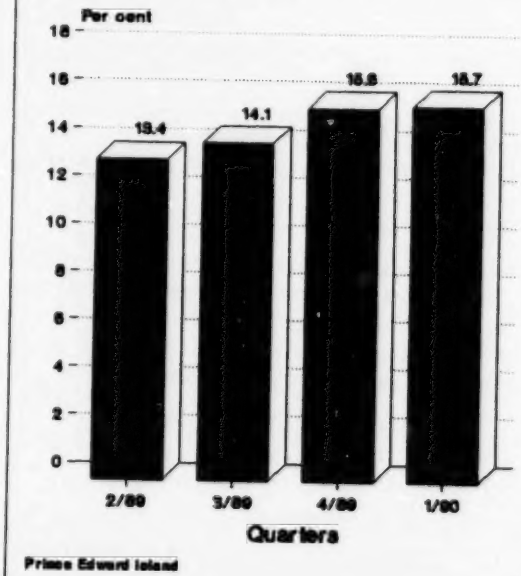


Unemployment Rate

As Graph 4 shows, the unemployment rate on Prince Edward Island increased throughout fiscal year 1989/90. The monthly seasonally adjusted unemployment rate averaged 14.7 per cent in fiscal year 1989/90, compared to 12.6 per cent in the previous year. The rate increased substantially towards the end of the fiscal year and reached 16.5 per cent in January 1990.

Monthly employment on Prince Edward Island in fiscal year 1989/90 averaged 53,900 compared to 54,300 in the previous year, a decline of 0.7 per cent. The rising unemployment rate was the result of this decline in employment and the continuing increase in the labour force.

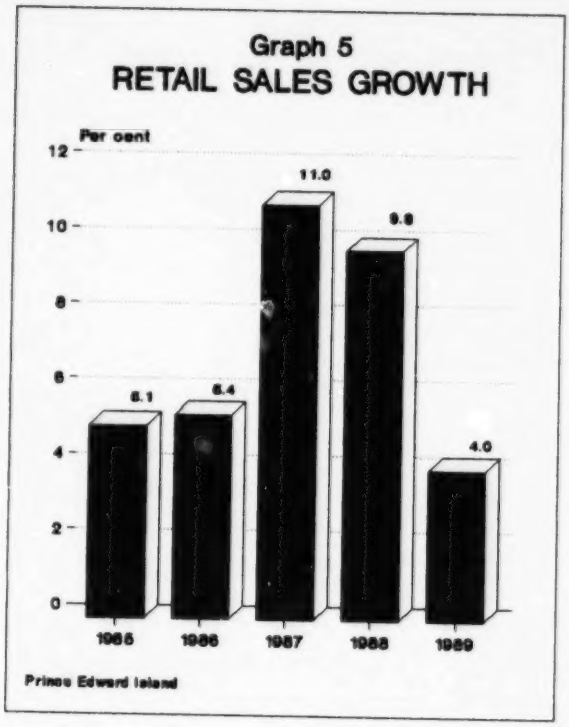
Graph 4
UNEMPLOYMENT RATE



Retail Sales

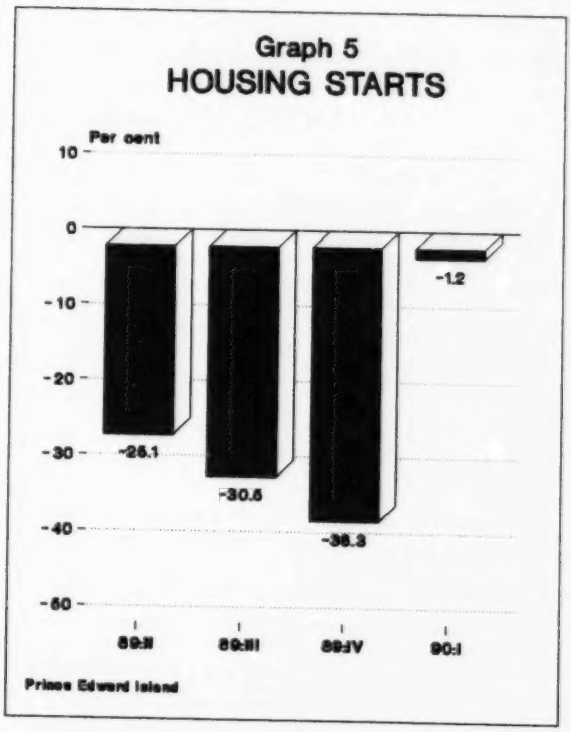
The current dollar value of retail sales on Prince Edward Island in 1989 increased 4.0 per cent over the previous year, to reach a total of $800.0 million. This compares to rates of increase in retail sales of 9.8 per cent in 1988, and 11.0 per cent in 1987.

The value of new motor vehicle sales in 1989 declined by 9.3 per cent compared to the previous year, and the number of new motor vehicle sales dropped 15.6 per cent.



Housing Starts

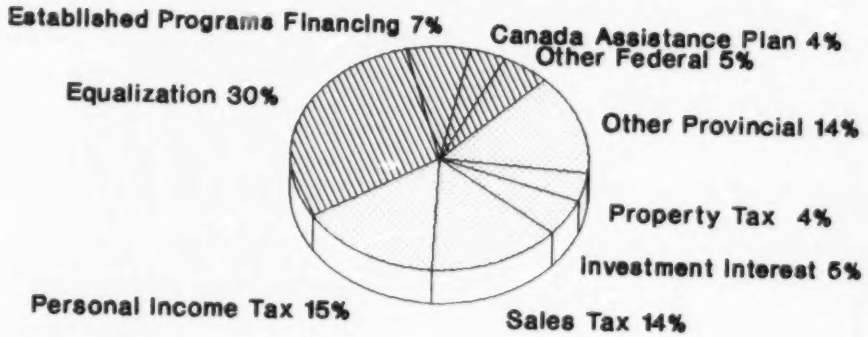
Housing starts declined sharply in fiscal year 1989/90 to total 814 units, a decrease of 27.8 per cent compared to fiscal year 1988/89. The impact of the closure of the CFB Summerside Airbase and high mortgage interest rates were the main factors contributing to the slow rate of residential construction.



REVENUE

Graph 7
SOURCES OF REVENUE, 1989-90

[total $646.7 million]



Current account revenue for 1989-90 was $646.7 million. The major sources of revenue and their respective percentage contributions to total revenue are shown in Graph 7.

Provincial Source Revenue

Revenue from provincial sources totalled $347.5 million, representing 53.7 per cent of current account revenue. More than half of the provincial source revenue was provided by the Province's personal income tax and sales tax.

Government of Canada Revenue

Total federal transfers of $299.2 million accounted for 46.3 per cent of revenue. Federal Equalization is the largest single revenue source of the Province, providing $195.1 million in 1989-90.

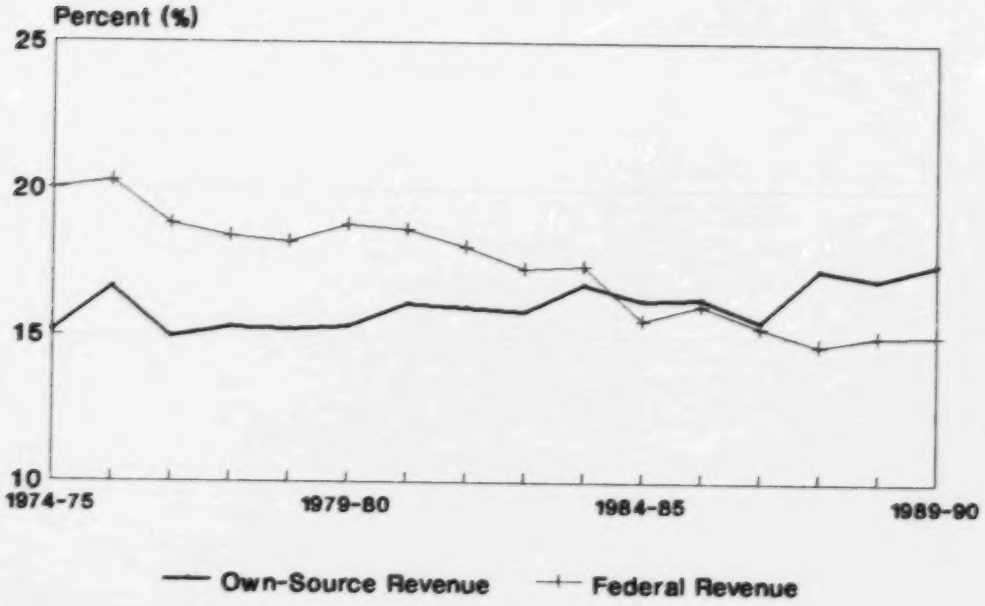
Comparison to Budget

Actual revenue for 1989-90 was $8.3 million, or 1.3 per cent above the original Budget estimate. A comparison with Budget is shown in Table 1. Most of the increase from Budget was attributable to adjustments in provincial source revenue. In particular, Personal Income Tax revenue was $6.3 million higher than originally estimated. Federal Equalization was also up $3.2 million from Budget.

Table 1 Performance of Major Revenues 1989-90

	Budget ($000)	Actual ($000)	Variance ($000)
Provincial Source:			
Personal Income Tax	93,050	99,389	+ 6,339
Sales Tax	94,250	93,286	- 964
Investment Interest	36,413	34,665	- 1,748
Property Tax	25,100	26,651	+ 1,551
Other	91,210	93,495	+ 2,285
	340,023	347,486	+ 7,463
Government of Canada:			
Equalization	191,900	195,096	+ 3,196
E.P.F.	47,900	45,155	- 2,745
Canada Assistance Plan	23,244	24,749	+ 1,505
Other	35,349	34,188	- 1,161
	298,393	299,188	+ 795
Total	638,416	646,675	+ 8,259

Graph 8
REVENUE as % of PERSONAL INCOME



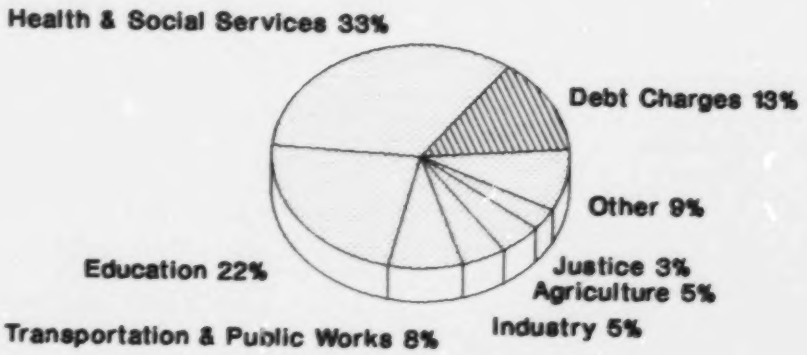
Revenue Trends

Government revenues as a percentage of Personal Income on Prince Edward Island since 1974-75 are shown in Graph 8, for both own-source revenue and federal revenue. Provincial own-source revenue as a percentage of Personal Income rose from just over . per cent during most of the 1970's to 17.5 per cent by 1989-90. This rise has only partially countered the decline in federal revenue, and thus total revenue as a percentage of Personal Income on Prince Edward Island has declined.

EXPENDITURE

Graph 9
EXPENDITURE by DEPARTMENT, 1989-90

[total $653.3 million]

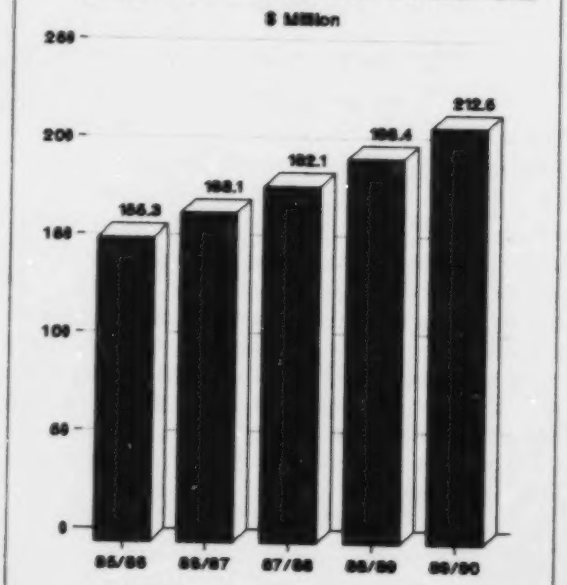


Current account expenditure was $653.3 million in 1989-90. The proportion of expenditure accounted for by major departments is shown in Graph 9.

Health and Social Services

The largest area of spending was Health and Social Services. These expenditures, which include spending by the Hospital and Health Services Commission, totalled $212.5 million in 1989-90, nearly one-third of the total current account expenditure. Graph 10 shows the five year trend of Health and Social Services expenditure.

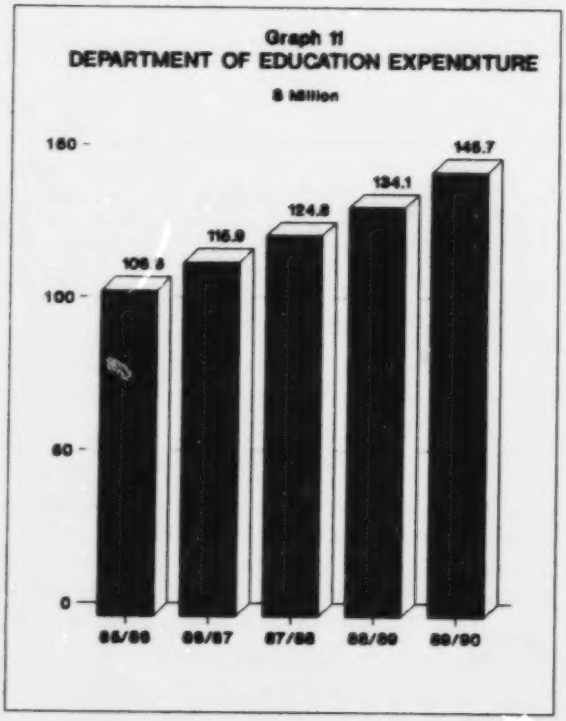
Graph 10
HEALTH & SOCIAL SERVICES EXPENDITURE



Education

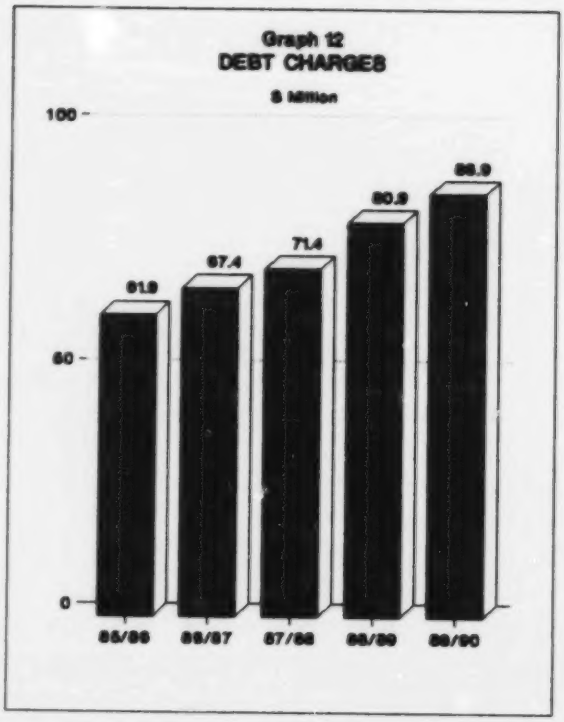
Department of Education expenditure, representing 22 per cent of total expenditure, was $145.7 million in 1989-90. Graph 11 shows the five year trend of these expenditures. Expenditures by Education in 1989-90 consisted of:

- $99.5 million (68%) for School Units
- $33.9 million (23%) for Post-Secondary
- $ 4.1 million (3%) for Vocational Programs
- $ 8.2 million (6%) for General Department



Debt Charges

Debt charges totalled $86.9 million in 1989-90, consisting of $76.8 million in interest expenses and $10.1 million in Sinking Fund contributions. Debt charges accounted for 13.3 per cent of total current account expenditure. Graph 12 shows debt charges over the last five years. The average annual growth rate over this time period was 8.8 per cent, compared to an average growth rate of 8.4 per cent for all other provincial expenditures.



Comparison to Budget

Total current account expenditure of the Province was $17.2 million above the original Budget estimate. Approximately $3.5 million was additional funding for Hog Stabilization.

Capital Expenditures

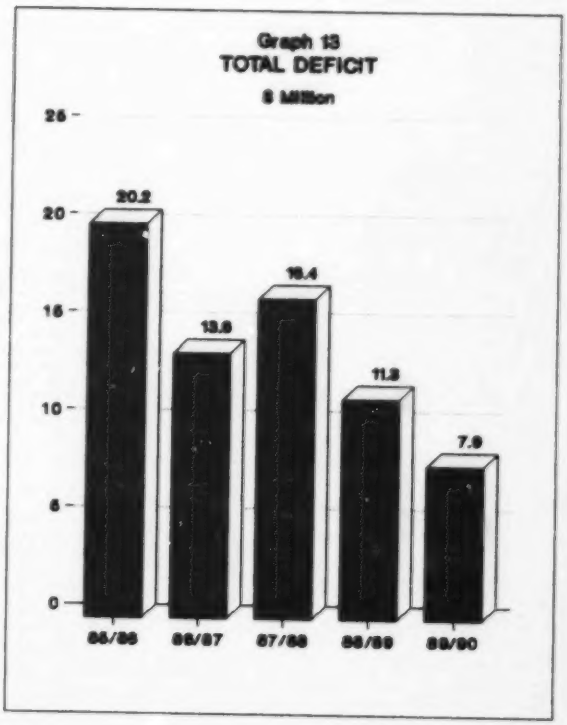
Gross capital expenditure by the Province in 1989-90 of $37.7 million (mostly Highways) was partially offset by recoveries of $3.1 million for a net capital expenditure of $34.6 million, which was $0.6 million below Budget.

BUDGET DEFICIT

Table 2 Budget Summary

	1988-89 Actual ($000)	1989-90 Budget ($000)	1989-90 Actual ($000)
Current Account			
Revenue	600,320	638,416	646,675
Expenditure	605,092	636,118	653,317
Deficit	(4,772)	2,298	(6,643)
Capital Account			
Revenue	4,615	4,880	3,053
Expenditure	41,337	40,073	37,680
Net Capital Expenditure	(36,722)	(35,193)	(34,627)
Sinking Fund			
Sinking Fund Earnings	20,636	22,822	23,269
Contributions from Revenue Fund	9,509	10,296	10,119
Increase in Sinking Fund Assets	30,145	33,117	33,388
Total Deficit	(11,349)	223	(7,882)

The current account deficit for 1989-90 was $6.6 million, a deterioration of $8.9 million from the originally budgetted surplus of $2.3 million. The total deficit, including current account, capital account and sinking fund, was $7.9 million, compared to a budgetted total surplus of $0.2 million. Graph 13 depicts the total deficit for each of the last five years.



DEBT

The largest component of the Province's gross debt, at March 31, 1990, was debentures and Canada Pension bonds totaling $612.9 million. The Province provides a sinking fund for repayment of both its Canada Pension and market bonds. Sinking fund assets of $225.8 million resulted in net funded debenture debt of $387.1 million as at March 31, 1990.

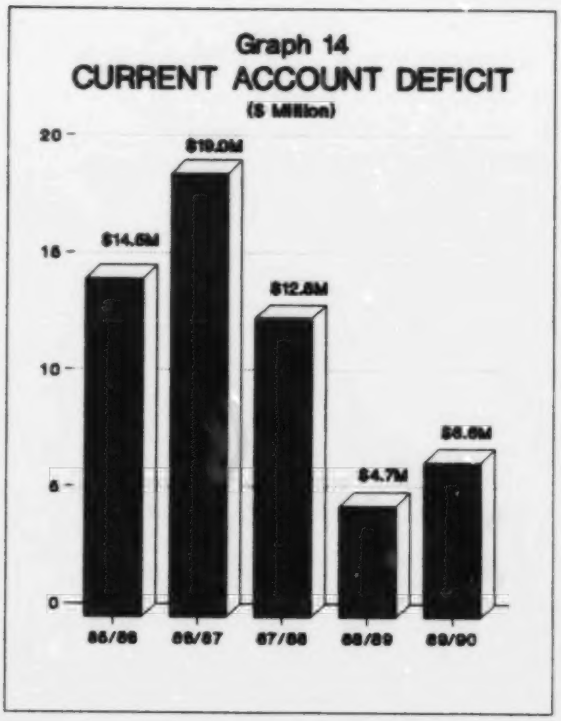
Provincial deposit receipts of $43.4 million formed another major debt of the Province.

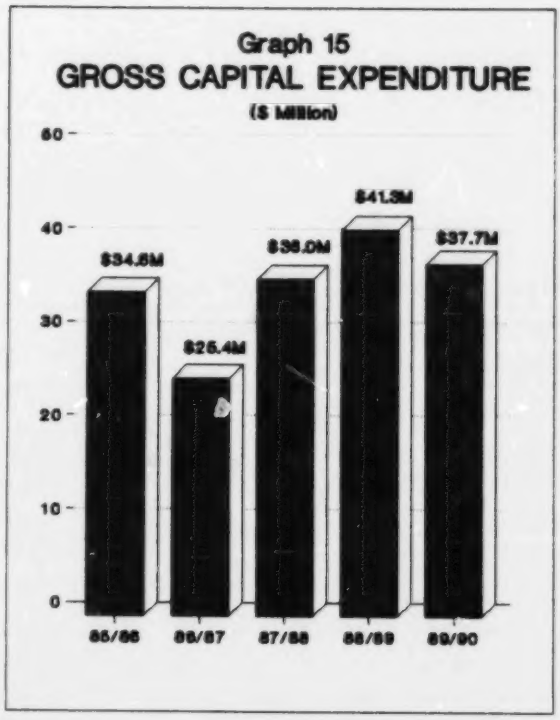
Total net debt (gross debt less total financial assets) of the Province was $198.6 million at the end of the 1989-90 fiscal year. Net debt as a percentage of Gross Domestic Product declined to 10.6 per cent, from 10.8 per cent in the previous year.

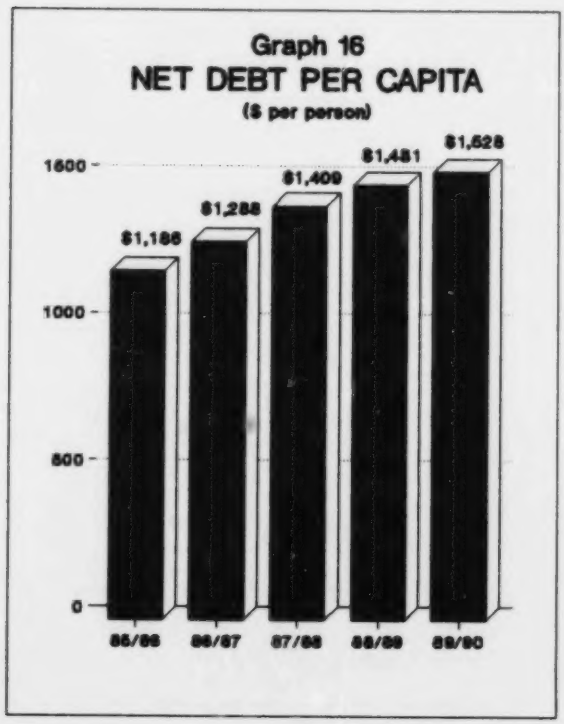
Selected Financial and Economic Statistics ($ Thousands)

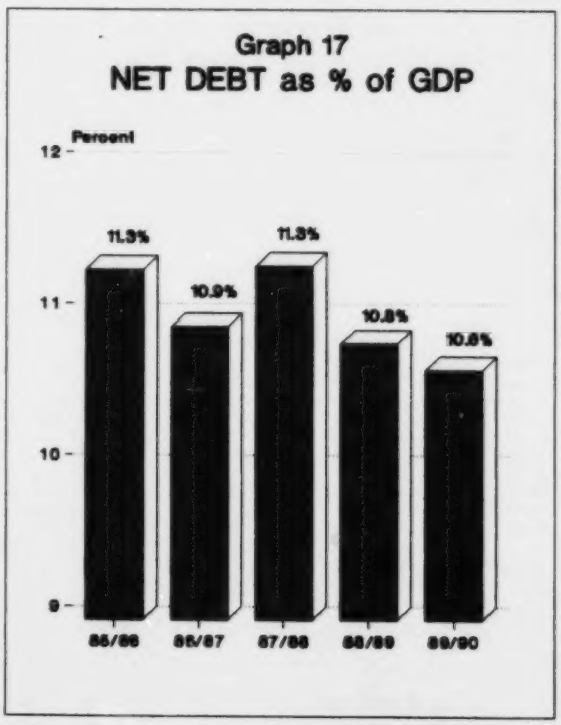
	1985-86	1986-87	1987-88	1988-89	1989-90
Current Account					
Revenue	457,174	490,914	533,231	600,320	646,675
Expenditure	471,627	509,868	546,011	605,092	653,317
Deficit	(14,453)	(18,954)	(12,780)	(4,772)	(6,643)
Capital Account					
Revenue	6,502	5,586	5,547	4,615	3,053
Expenditure	34,606	25,397	36,027	41,337	37,680
Net Capital Expenditure	(28,104)	(19,811)	(30,480)	(36,722)	(34,627)
Sinking Fund					
Sinking Fund Earnings	15,156	17,272	18,542	20,636	23,269
Installments	7,206	7,908	8,352	9,509	10,119
Increase in Sinking Fund	22,362	25,180	26,895	30,145	33,388
Total Deficit	(20,195)	(13,585)	(16,365)	(11,349)	(7,882)
Net Debt	149,424	163,009	179,374	190,723	198,605
Population (000's)	126.0	126.6	127.3	128.8	130.0
Personal Income ($ million)	1,414	1,592	1,667	1,878	1,989
GDP at Market Prices ($ million)	1,321	1,491	1,582	1,762	1,865
Net Debt/GDP (%)	11.3	10.9	11.3	10.8	10.6

Provincial Financial Indicators









1989-90 FINANCIAL STATEMENTS

Statement of Financial Position 17
Statement of Financial Transactions 18
Statement of Current Revenue 19
Statement of Current Expenditures 20
Statement of Capital Expenditures 21
Statement of Debt Transactions 22
Statement of Change in Net Debt 23
Summary of Significant Accounting Policies 24
Notes Concerning Financial Statements 25

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

Province of Prince Edward Island
Consolidated Fund
($ thousands)

	1988-89 Actual	1989-90 Actual
FINANCIAL ASSETS		
Cash Deposits Short Term	31,000	0
Accounts and Taxes Receivable	64,249	71,158
Treasury Advances	103	109
Inventories	3,833	3,557
Investments	15	15
Loans Receivable	164,955	166,384
Capital Advances	99,059	115,473
Deferred Charges	7,270	5,107
Total Financial Assets	370,483	361,803
Net Debt	190,723	198,605
TOTAL	**561,206**	**560,408**
LIABILITIES		
Bank Advances	12,655	17,062
Treasury Loans	0	28,000
Deferred Revenue	3,050	3,685
Accounts Payable	46,937	46,501
Accrued Interest and Other Accrued Liabilities	22,340	23,266
Provincial Deposit Receipts	52,394	43,376
Loans Payable	11,893	11,423
Debentures		
Gross Funded	612,642	612,907
Less: Sinking Fund	(200,704)	(225,812)
TOTAL	**561,206**	**560,408**

STATEMENT OF FINANCIAL TRANSACTIONS

Province of Prince Edward Island
Consolidated Fund
($ thousands)

	1988-89 Actual	1989-90 Budget	1989-90 Actual
Current Account			
Revenue	600,320	638,416	646,675
Expenditure	605,092	636,118	653,317
Deficit (Surplus)	4,772	(2,298)	6,643
Capital Account			
Revenue	4,615	4,880	3,053
Expenditure	41,337	40,073	37,680
Net Capital Expenditures	36,722	35,193	34,627
Total Net Expenditures	41,494	32,894	41,269
Inter-Period Adjustments	3,211	0	3,184
Net Cash Requirements	**44,706**	**32,894**	**44,454**
Financing			
Debt Transactions (Net)	70,315	32,694	9,048
Decrease (Increase) in Cash and Temporary Investments	(25,609)	200	35,406
Total Financing	**44,706**	**32,894**	**44,454**

STATEMENT OF CURRENT REVENUE

Province of Prince Edward Island
Consolidated Fund
($ thousands)

	1988-89 Actual	1989-90 Budget	1989-90 Actual
PROVINCIAL SOURCES			
Taxes			
Personal Income Tax	86,495	93,050	99,389
Corporate Income Tax	17,646	17,600	15,160
Sales Tax	85,912	94,250	93,286
Gasoline Tax	17,251	17,200	18,367
Real Property Tax	24,336	25,100	26,651
Health Tax on Liquor	8,939	8,904	9,328
Health Tax on Tobacco	12,567	13,000	12,852
Insurance Premium Tax	1,515	1,300	1,890
Fire Prevention Tax	125	100	110
Corporation Capital Tax	533	1,000	855
	255,319	271,504	277,888
Other Revenue			
Motor Vehicle Registry	4,489	4,530	4,637
Other Licenses and Permits	1,118	1,234	1,561
Patient Fees	6,746	6,454	7,215
Other Fees	5,092	5,370	7,026
Liquor Commission	9,401	9,611	9,717
Lottery Revenue	3,673	3,800	3,293
Other Sales	1,174	1,107	1,484
Investment Interest	31,402	36,413	34,665
	63,095	68,519	69,598
Total Provincial Source	318,414	340,023	347,486
FEDERAL SOURCES			
Equalization	184,858	191,900	195,096
Established Programs Financing	44,272	47,900	45,155
Extended Health Care	6,297	6,700	6,685
Income Tax on Electricity	2,000	3,250	2,541
Canada Assistance Plan	21,902	23,244	24,749
Other Cost Shared Programs	20,304	23,346	20,970
Other	2,273	2,053	3,992
Total Federal Revenue	281,906	298,393	299,188
TOTAL REVENUE	**600,320**	**638,416**	**646,675**

STATEMENT OF CURRENT EXPENDITURES

Province of Prince Edward Island
Consolidated Fund
($ thousands)

	1988-89 Actual	1989-90 Budget	1989-90 Actual
Agriculture	28,258	23,593	29,483
Community & Cultural Affairs	16,896	12,238	13,508
Education	134,094	143,458	145,666
Finance	8,578	17,821	17,988
Tourism & Parks	8,171	9,419	9,239
Legislative Services	3,727	3,851	4,831
Industry	32,192	26,228	30,572
Health & Social Services	196,445	210,730	212,525
Energy & Forestry	10,345	10,092	9,573
Justice & Attorney General	17,427	21,472	20,470
Labour	1,496	1,941	1,910
Fisheries & Aquaculture	2,526	2,833	2,454
Transportation & Public Works	47,504	46,286	51,068
Environment	-	7,127	7,577
Other Current	16,519	8,390	9,565
Debt Charges	80,915	90,639	86,889
TOTAL EXPENDITURES	**605,092**	**636,118**	**653,317**

STATEMENT OF CAPITAL EXPENDITURES

Province of Prince Edward Island
Consolidated Fund
($ thousands)

	1988-89 Actual	1989-90 Budget	1989-90 Actual
HIGHWAYS			
Reconstruction	14,905	14,000	15,117
Paving	14.531	16,307	11,206
Bridges & Culverts	2,478	3,625	3,382
Administration	1,161	976	981
Equipment & Lighting	727	600	874
	33,801	35,508	31,559
BUILDINGS			
Young Offenders Center	4,287	232	442
Other	2,511	4,298	4,505
	6,798	4,530	4,947
OTHER CAPITAL ASSETS			
Laboratories	0	0	1,073
Other	737	35	100
	737	35	1,174
TOTAL GROSS CAPITAL EXPENDITURES	41,337	40,073	37,680
LESS RECOVERIES			
E.R.D.A.	4,017	4,265	2,116
Other	597	615	937
	4,615	4,880	3,053
NET CAPITAL EXPENDITURES	**36,722**	**35,193**	**34,627**

STATEMENT OF DEBT TRANSACTIONS

Province of Prince Edward Island
Consolidated Fund
($ thousands)

	1988-89 Actual	1989-90 Actual
Receipts:		
Debentures Issued		
Treasury Notes	100,000	0
Canada Pension Loans	0	28,000
Provincial Deposit Receipts	9,703	10,544
	(1,850)	(9,183)
	107,853	29,361
Payments:		
Net Loans to Crown Agencies		
Capital Advances	19,787	6,898
Treasury Notes	10,206	7,958
Alberta Heritage Fund	6,000	0
Other	2,000	2,000
	(455)	3,457
	37,538	20,313
Derived from Debt Transactions (Net)	**70,315**	**9,048**
Decrease (Increase) in Cash and Temporary Investments	(25,609)	35,406
Total Financing	**44,706**	**44,454**

STATEMENT OF CHANGE IN NET DEBT

Province of Prince Edward Island
Consolidated Fund
($ thousands)

	1988-89 Actual	1989-90 Actual
Net Debt Beginning April 1	179,374	190,723
INCREASED BY:		
Net Capital Expenditures	36,722	34,627
Excess of Ordinary Expenditures Over Ordinary Revenue	4,772	6,643
DECREASED BY:		
Increase in Sinking Fund Assets		
Investment Income	20,636	23,269
Installments	9,509	10,119
	30,145	33,388
NET DEBT	**190,723**	**198,605**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING ENTITY

The financial position of the Province is presented by a Statement of Financial Position of the Consolidated Fund of the Province, a Statement of Financial Transactions, a Statement of Current Revenue, a Statement of Current Expenditures, a Statement of Capital Expenditures, a Statement of Change in Net Debt, and a Statement of Debt Transactions.

2. FINANCIAL REPORTING AND ACCOUNTING POLICIES

(a) The financial transactions recorded in the Accounts of the Province and reflected in the Public Accounts are classified into budgetary transactions and non-budgetary transactions.

In general terms budgetary transactions are those which enter into the calculation of the annual budgetary surplus or deficit and are disclosed in the Statement of Revenues and Expenditure - both Capital and Ordinary Revenues and Expenditures are included. Non-budgetary transactions lead to the acquisition or disposal of financial assets or creation or discharge of financial obligations which are disclosed on the Statement of Financial Position.

(b) The Province's financial statements are presented so as to highlight Net Direct Debt, a measurement of financial position. The Net Direct Debt of the Province is determined by its Liabilities less its listed assets which include capital advances towards the construction of such long term assets as hospitals and schools - title of which is vested with an agency or entity (Note 2) - but excludes capital expenditures on such long term assets as Highways and Public Buildings.

(c) The Province presents revenues and expenditure on the accrual basis except for payments from Canada under the Federal-Provincial Fiscal Arrangements, the Established Programs Financing and the Tax Collection Agreement.

(d) Earnings on sinking funds are credited to sinking fund reserves and are not reflected as current account revenue.

(e) Profits or losses of Crown Corporations are taken into the revenues or expenditures of the Consolidated Fund in the year in which they become apparent unless the Lieutenant Governor-in-Council declares by Minute-in-Council that the profit is to be retained or the loss recouped by the Crown Corporation. Profits and losses of the Crown Corporations, Agencies and Boards which are not consolidated in 1989-90 are noted below (see Note 1).

(f) The province has three pension plans: the Civil Service Superannuation Fund, the Teachers' Superannuation Fund and the M.L.A. Pension Fund, which are not part of the Consolidated Fund. Notes on these plans are provided below (see Note 3).

NOTES CONCERNING FINANCIAL STATEMENTS

1. Crown Corporations

Profits and losses of Crown Corporations, Agencies and Boards which are not reflected in the 1989-90 consolidated Statements are: the P.E.I. Crop Insurance Agency which experienced a profit in 1989-90 of $2,048,684 (as at March 31, 1990 the Crop Insurance Agency has an accumulated surplus of $1,595,976), and the Georgetown Shipyard which experienced a profit of $559,000 in 1989-90 (as at March 31, 1990 the Georgetown Shipyard has an accumulated surplus of $572,223).

2. Capital Advances

The statement below details the accumulated capital advances as at March 31, 1990 made to agencies or entities for the construction of assets of a long term nature to which title rests with the agency or entity. The annual interest and principal payments required to retire these debts are included in the appropriations of the respective departments.

	Balance Mar. 31/89	Additions	Principal Payment	Interest Payment	Balance Mar. 31/90
	$	$	$	$	$
School Units					
Completed Contracts and Construction in Progress	55,760,799	9,095,669	578,303	5,688,454	64,278,165
Capital Projects - Repairs	1,066,019	510,600	251,488	112,474	1,325,131
Bus Depots	298,353	-	128,199	47,340	170,154
	57,125,171	9,606,269	957,990	5,848,268	65,773,450
Hospitals					
Queen Elizabeth	33,364,624	-	499,345	4,492,760	32,865,279
Prince County	717,767	110,000	327,900	79,794	499,867
Stewart Memorial	355,078	-	76,509	35,508	278,569
Souris	7,339,605	115,205	-	-	7,454,810
	41,777,074	225,205	903,754	4,608,062	41,098,525
Farm Center Association	156,727	-	11,587	15,532	145,140
Veterinary College	-	8,594,031	137,745	923,858	8,456,286
	99,058,972	**18,425,505**	**2,011,076**	**11,395,720**	**115,473,401**

3. Pension Funds

(a) Civil Service Superannuation Fund

Employees of the Province and certain of its entities are entitled to receive pension benefits pursuant to the provisions of a pension plan under the Civil Service Superannuation Act. The plan is operated within the Civil Service Superannuation Fund to which employees and employer matching contributions and investment income are credited and payments to pensioners and terminating employees are charged. The Civil Service Superannuation Fund is invested in Federal, Provincial, Municipal and Corporate Securities.

The Civil Service Superannuation Fund is not part of the Consolidated Fund of the Province. The Plan is funded by employee contributions plus equal contributions by the Province. However, by Act the Province is committed to make payments if the Civil Service Superannuation Fund is insufficient to provide for pension payments as they become due.

Actuarial Valuations of the Civil Service Superannuation Fund are carried out periodically by actuaries retained by the Province using the accrued benefit method with salary projections. The results of the most recent Actuarial Valuation are as follows:

Valuation Date	-	April 1, 1987
Actuarial Liability	-	$142.5 Million
Fund Assets	-	$ 79.3 Million
Unfunded Liability	-	$ 63.2 Million

(b) Teachers' Superannuation Fund

The Teachers' Superannuation Act established a fund for the payment of pensions to retired teachers or refund of contributions under certain circumstances. The plan is operated within the Teacher's Superannuation Fund to which employee and employer matching contributions and investment income are credited and payments to pensioners and terminating employees are charged. The Teachers' Superannuation Fund is not part of the Consolidated Fund of the Province.

If at any time the fund is insufficient to make its payments, the Minister of Finance shall pay into the fund an amount, out of the Consolidated Fund, sufficient to enable such payments to be made.

Actuarial Valuations of the Teachers' Superannuation Fund are carried out periodically and provide an estimate of fund liabilities at a point in time. The results of the most recent Actuarial Valuation are as follows:

Valuation Date	-	July 1, 1987
Actuarial Liability	-	$184.4 million
Fund Assets	-	$ 55.5 million
Unfunded Liability	-	$128.9 million

(c) M.L.A. Pension Fund

The Legislative Assembly Retirement Allowance Act established a fund from which pensions are paid to retired members of the Legislative Assembly. The pension plan is partially funded within the M.L.A. Pension Fund to which contributions of Government and Members of the Legislative Assembly and investment income are credited and payments to pensioners are charged. The M.L.A. Pension Fund is not part of the Consolidated Fund of the Province.

Actuarial Valuations of the M.L.A. Pension Fund are carried out periodically and provide an estimate of fund liabilities at a point in time. The results of the most recent actuarial valuation are as follows:

Valuation Date	-	April 1, 1987
Actuarial Liability	-	$8.0 million
Fund Assets	-	$3.0 million
Unfunded Liability	-	$5.0 million